EXHIBIT A

CASHCALL, INC.
(A California Corporation)

FINANCIAL STATEMENTS

December 31, 2003

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Stockholder and Board of Directors
CashCall, Inc.

We have audited the accompanying balance sheet of CashCall, Inc. (the "Company"), a California corporation, as of December 31, 2003, and the related statements of operations, stockholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CashCall, Inc. as of December 31, 2003, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Squar Milner Reehl & Williamson, LLP

Newport Beach, CA
May 7, 2004

CASHCALL, INC.
BALANCE SHEET
December 31, 2003

ASSETS

Current Assets	
Cash	$ 1,427,526
Loans receivable, net	34,502,835
Interest receivable	1,038,166
Prepaid expenses and other current assets	200,523
Total Current Assets	37,169,050
Property and Equipment, net	1,428,807
Total Assets	$ 38,597,857

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities	
Accounts payable and accrued liabilities	$ 1,793,709
Due to related party	115,000
Note payable	1,402,685
Due to stockholder	31,467,774
Total Current Liabilities	34,779,168
Commitments and Contingencies	
Stockholder's Equity	
Common stock, no par value, 10,000 shares authorized; 10,000 shares issued and outstanding	3,000,000
Additional paid-in capital	17,000,000
Accumulated deficit	(16,181,311)
Total Stockholder's Equity	3,818,689
Total Liabilities and Stockholder's Equity	$ 38,597,857

The accompanying notes are an integral part of these financial statements.

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CASHCALL, INC.
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2003

REVENUES	
Interest income	$ 2,613,093
Other income	187,116
Total Revenues	2,800,209
Provision for loan losses	6,124,083
Loss after provision for loan losses	(3,323,874)
OPERATING EXPENSES	
Advertising	3,741,943
Personnel	1,590,422
General and administrative	1,491,288
Total Operating Expenses	6,823,653
NET LOSS	$ (10,147,527)

The accompanying notes are an integral part of these financial statements.

CASHCALL, INC.
STATEMENT OF STOCKHOLDER'S EQUITY
For the Year Ended December 31, 2003

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
BALANCE – January 1, 2003	10,000	$ 3,000,000	$ 1,800,000	$ (4,664,371)	$ 135,629
Contributions	–	–	15,200,000	–	15,200,000
Distributions to stockholder	–	–	–	(1,369,413)	(1,369,413)
Net loss	–	–	–	(10,147,527)	(10,147,527)
BALANCE – December 31, 2003	10,000	$ 3,000,000	$17,000,000	$ (16,181,311)	$ 3,818,689

The accompanying notes are an integral part of these financial statements.

CASHCALL, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (10,147,527)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	184,426
Provision for loan losses	6,124,083
Changes in operating assets and liabilities:	
Loans receivable	(40,626,918)
Interest receivable	(1,038,166)
Prepaid expenses and other current assets	(200,523)
Accounts payable and accrued liabilities	1,793,709
Due to related party	115,000
Net cash used in operating activities	(43,795,916)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(1,477,604)
Net cash used in investing activities	(1,477,604)
CASH FLOWS FROM FINANCING ACTIVITIES	
Due to stockholder	31,467,774
Proceeds from note payable	1,402,685
Distribution to stockholder	(1,369,413)
Contributions by stockholder	15,200,000
Net cash provided by financing activities	46,701,046
NET INCREASE IN CASH	1,427,526
CASH – beginning of year	–
CASH – end of year	$ 1,427,526

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION AND NON-CASH FINANCING ACTIVITIES

Cash paid during the year for interest	$ 2,685
Cash paid during the year for taxes	$ 800

See accompanying notes to these financial statements for information relating to non-cash financing activity concerning distributions to stockholder.

CASHCALL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Relantis Corporation ("Relantis") was incorporated on January 28, 2000 for the purpose of purchasing, rehabbing and selling single-family residential properties. By mid-2002, Relantis had sold all but one of its existing properties and ceased operations. By late 2002, Mr. Reddam, the sole stockholder, began to develop the idea that later became CashCall, Inc. On March 11, 2003, Relantis changed its name to CashCall, Inc. (the "Company"). In 2003, the remaining real estate property was distributed to the Company's sole stockholder.

The Company, a California corporation, began its loan operations in July 2003. The Company operates as a specialty finance company that engages in the business of marketing, directly originating, selling and servicing consumer loans primarily in the state of California. The Company is a national consumer lender, originating loans via telephone and the Internet primarily to customers responding to radio and television advertisements. The Company offers a single loan program to qualified borrowers. The Company's headquarters and main operations center are located in Irvine, California. As of December 31, 2003, the Company was licensed to originate loans in fourteen states; however, virtually all of the Company's loans in 2003 were originated in the state of California.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, among others, provisions for losses on loans receivable. Actual amounts could materially differ from those estimates.

Concentrations

The Company currently maintains substantially all of its cash with two major financial institutions. At times, cash balances may be in excess of the amounts insured by the Federal Deposit Insurance Corporation.

As of December 31, 2003, the Company had obtained 96% of its financing from one individual, the sole stockholder.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans Receivable

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff, are reported at their outstanding unpaid principal balances, reduced by any chargeoff, valuation allowance and net of any deferred fees or costs on originated loans.

The allowance for loan losses is increased by charges to income and decreased by chargeoffs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on industry standards, known and inherent risks in the portfolio and adverse situations that may effect the borrower's ability to repay. Consumer loans are charged off when they are 120 days past due.

Property and Equipment

Property and equipment are stated at cost. Major renewals and improvements are capitalized, while replacements, maintenance and repairs which do not significantly improve or extend the useful life of the asset are expensed when incurred. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years. Depreciation of leasehold improvements is computed using the straight-line method over the shorter of the estimated useful life or the remaining term of the related lease.

The Company accounts for costs incurred to develop computer software for internal use in accordance with Statement of Position (SOP) 98-1, *"Accounting for the Costs of Computer Software Developed or Obtained for Internal Use."* As required by SOP 98-1, the Company capitalizes the costs incurred during the application development stage, which include costs to design the software configuration and interfaces, coding, installation and testing. Costs incurred during the preliminary project along with post-implementation stages of internal use computer software are expensed as incurred. Capitalized development costs are amortized over various periods up to three years. Costs incurred to maintain existing products are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility and estimated economic life. For the year ended December 31, 2003, the Company capitalized product development costs of approximately $613,000. As of December 31, 2003, net capitalized software costs totaled $526,000.

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstance indicate that the carrying amount of the assets may not be recoverable. If the cost basis of a long-lived asset is greater than the projected future undiscounted net cash flows from such asset, an impairment loss is recognized. Impairment losses are calculated as the difference between the cost basis of an asset and its estimated fair value. The Company has no intangible assets, as described in Statement of Financial Accounting Standards ("SFAS") No. 142, "*Goodwill and Other Intangible Assets*." Any long-lived assets held for disposal are reported at the lower of their carrying amounts or estimated fair values less costs to sell. During the year ended December 31, 2003, no impairment losses were recorded. As such, the Company's long-lived assets are stated at cost less accumulated depreciation and amortization.

Revenue Recognition

Except as described below, interest income from loans receivable is recognized using the interest (actuarial) method. Accrual of interest income on finance receivables is suspended when a loan is contractually delinquent for 120 days or more. The accrual of interest is resumed when the loan becomes contractually current, and past-due interest income is recognized at that time.

The Company generates revenues from interest income on all self-funded consumer loans. The revenues realized are based on the loan amount multiplied by the contractual interest rate from the time of funding by the Company through time of sale. These revenues are recognized as earned during the period between funding and sale.

Income Taxes

The Company has elected to be taxed as an "S" Corporation for both federal and state income tax purposes. Accordingly, the Company has not provided for federal income taxes because the income tax liability is that of the individual stockholder. The California state tax treatment is substantially the same as the federal. However, as the Company is a California S-corporation, an annual $800 franchise fee is required by the state of California

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

SFAS No. 107, "*Disclosures About Fair Value of Financial Instruments*," requires disclosure of fair value information about financial instruments when it is practicable to estimate that value. The carrying amount of the Company's cash, loans and interest receivable, accounts payable and accrued liabilities and note payable approximates their estimated fair values due to the short-term maturities of those financial instruments. The fair values of amounts due to related party and due to stockholder are not determinable as these transactions are with related parties.

Advertising Costs

Advertising costs consist of expenditures for various media content advertising such as television and radio. The Company expenses advertising costs as incurred. These costs include the cost of production and airtime as well as commissions paid to advertising agencies. Total advertising costs were approximately $3,742,000 for the year ended December 31. 2003.

Risks and Uncertainties

In the ordinary course of business, companies in the consumer lending industry encounter certain economic and regulatory risks. Economic risks include credit risk and market risk. Credit risk is the risk of default, primarily in the Company's loan portfolio that results from borrowers' inability or unwillingness to make contractually required payments. Market risk includes the inability of borrowers to engage in commitments to originate loans. Regulatory risks include administrative enforcement actions and/or civil or criminal liability resulting from any alleged failure to comply with the laws and regulations applicable to the Company's business.

2. LOANS AND INTEREST RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

The Company offers personal loans of $10,000 that are not secured by personal property or any other collateral. All loans are amortized over 120 months, and borrowers are scheduled to make monthly payments of principal and interest. However, borrowers can repay their loan at any time without penalty. The annual percentage rate is the cost of the extended credit expressed as an annualized rate and varies from 24% to 39%.

CASHCALL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

2. LOANS AND INTEREST RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (continued)

Loans receivable approximated the following at December 31, 2003:

Loans receivable based on consumer loan agreements	$ 40,627,000
Accrued Interest	1,038,000
Total	41,665,000
Allowance for loan losses	(6,124,000)
Loans and interest receivable, net	$ 35,541,000

Impairment of loans with a December 31, 2003 carrying value of approximately $1,257,000 has been recognized in conformity with SFAS No. 114, as amended by FASB Statement No. 118, "*Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures (an amendment of FASB Statement No. 114)*". The total provision for credit losses related to these loans was approximately $1,257,000 in 2003. The related amount of interest income recognized prior to the impairment of these loans approximated $141,000. There was no interest income recognized on a cash-basis method of accounting during the time period that these loans were impaired in fiscal 2003.

On December 31, 2003, contractual maturities of consumer loans receivable approximated:

2004	$ 1,268,000
2005	1,497,000
2006	1,689,000
2007	2,057,000
Thereafter	34,116,000
	$ 40,627,000

Based on current period activity, the Company estimates that a substantial portion of the consumer loan portfolio generally will be repaid before contractual maturity dates. The above tabulation, therefore, is not to be regarded as a forecast of future cash collections. During the year ended December 31, 2003, cash collections of principal amounts of consumer loans approximated $2,593,000.

3. PROPERTY AND EQUIPMENT

Property and equipment approximated the following at December 31, 2003:

Computer equipment and software	$ 1,069,000
Autos	16,000
Machinery and equipment	102,000
Furniture and fixtures	441,000
Leasehold improvements	12,000
	1,640,000
Accumulated depreciation and amortization	(211,000)
Total	$ 1,429,000

4. RELATED PARTY TRANSACTIONS

Due to Stockholder

During the year ended December 31, 2003, the Company borrowed approximately $31,468,000 for working capital purposes from the sole stockholder. The borrowings call for interest at 2% and are due on demand. In addition, the stockholder has committed to providing additional working capital, as needed, through December 31, 2004.

Due to Related Party

Legal fees are incurred through Zed Corporation ("Zed"). Zed is an S-Corporation, which is affiliated with the Company via common ownership. Zed is in the business of investing in various ventures. The Company's sole stockholder owns 100% of Zed. Legal fees due to Zed as of December 31, 2003 totaled $115,000.

5. EQUITY TRANSACTIONS

During the year ended December 31, 2003, the stockholder invested an aggregate of $15,200,000 for working capital purposes.

6. COMMITMENTS AND CONTINGENCIES

Operating Lease

The Company leases its office facilities under a non-cancelable operating lease expiring in June 2005. Future minimum rental payments required under the operating lease approximate the following for the years ending December 31:

2004	$	220,000
2005		92,000
	$	312,000

Rent expense approximated $160,000 for the year ended December 31, 2003.

Legal

At times, the Company is subject to various claims and actions, which arise in the ordinary course of business. Management, having consulted with its legal counsel, believes the ultimate resolution of any such claims and actions, both individually and in the aggregate, will not have a material adverse effect upon the Company's financial position or the results of its operations.